Impact of Structural Changes on Performance of Gems & Jewellery Industry in India

Gems and jewellery industry in India

The gems and jewellery sector has been one of the fastest-growing sectors in India in the past few years. The sector has gained global popularity because of its talented craftsmen, its superior practices in cutting and polishing fine diamonds and precious stones, and its cost-efficiencies. The sector has been vital to the Indian economy as well; during 2008-09, the sector accounted for around 13% of the country's total exports.

The gems and jewellery sector in India is engaged in sourcing, manufacturing, and processing, which involves cutting, polishing and selling precious gemstones and metals such as diamonds, other precious stones, gold, silver and platinum.

Gold jewellery is the most preferred form of jewellery in demand in India as it is considered auspicious to purchase gold on major occasions like festivals, marriage, birth etc. Also, gold occupies the second position among all investment instruments and is considered as the safest investment option. According to the data released by the World Gold Council (WGC), India is the largest consumer of gold. In 2008, India consumed approximately 660 tons of gold and accounted for 22.71% of the total gold consumed all over the world, most of which was used in jewellery. Even though the gold demand remained weak, India continued to maintain its second position in the third quarter-ended 2009 as well and accounted for 20.87% of the total gold consumed all over the world.

India is also one of the largest diamond processor in the world and its artisans have specialized skills in processing small diamonds (below one carat); in fact, the Indian craftsmen have achieved excellence in cutting and polishing small diamonds. However, the real uniqueness of the Indian craftsmen lies in the fact that they do most of the cutting and polishing manually which sets India apart from its other peers. India (especially, Surat and Mumbai) ranks among the 'big four' diamond cutting centers of the world — the other three being, Belgium (Antwerp), the US (New York) and Israel (Ramat Gan). Currently, diamonds processed in India account for 85% in volume, 92% in pieces and 60% in value of the total world diamond market.

The gems and jewellery sector in India is highly export-oriented, labor-intensive and a major contributor to the foreign exchange earnings; therefore, the Indian government has declared the sector as a thrust area for export promotion.

The Gems and Jewellery sector plays a significant role in the Indian economy, contributing around 6-7 per cent of the country's GDP. One of the fastest growing sectors, it is extremely export oriented and labor intensive.

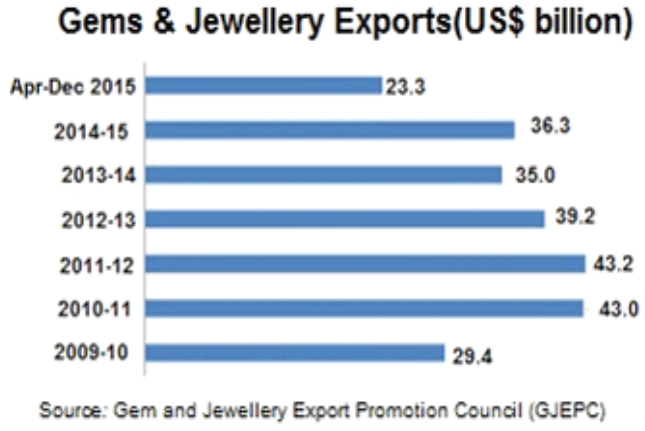
Based on its potential for growth and value addition, the Government of India has declared the Gems and Jewellery sector as a focus area for export promotion. The Government has recently undertaken various measures to promote investments and to upgrade technology and skills to promote 'Brand India' in the international market.

India is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labor. India is the world's largest cutting and polishing centre for diamonds, with the cutting and polishing industry being well supported by government policies. Moreover, India exports 95 per cent of the world's diamonds, as per statistics from the Gems and Jewellery Export promotion Council (GJEPC). The industry is projected to generate up to US$ 35 billion of revenue from exports in 2015.

India's Gems and Jewellery sector has been contributing in a big way to the country's foreign exchange earnings (FEEs). The Government of India has viewed the sector as a thrust area for export promotion. In FY14, India's gems and jewellery sector contributed US$ 34.75 billion to the country's FEEs.

India's domestic Gems and Jewellery market is equally strong. The domestic gems and jewellery industry had a market size of Rs 251,000 crore (US$ 40.45 billion) in 2013, with the potential to grow to Rs 500,000–530,000 crore (US$ 80.59-85.43 billion) by 2018, according to a study by a leading industry body. The study projected that the country's gems and jewellery market could witness exponential growth driven by a healthy business environment and the government's investor friendly policies.

Structure of foreign trade



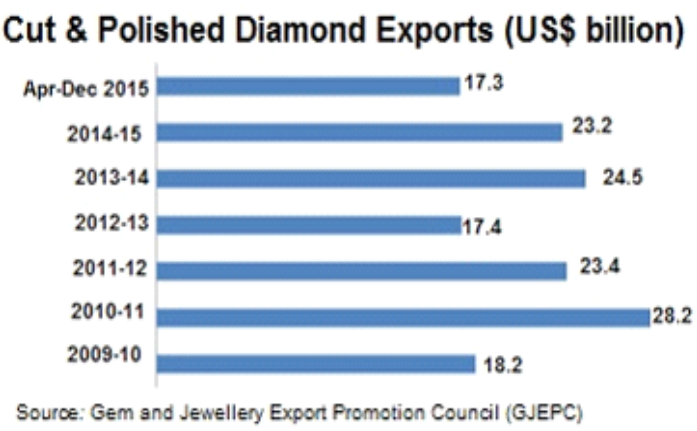
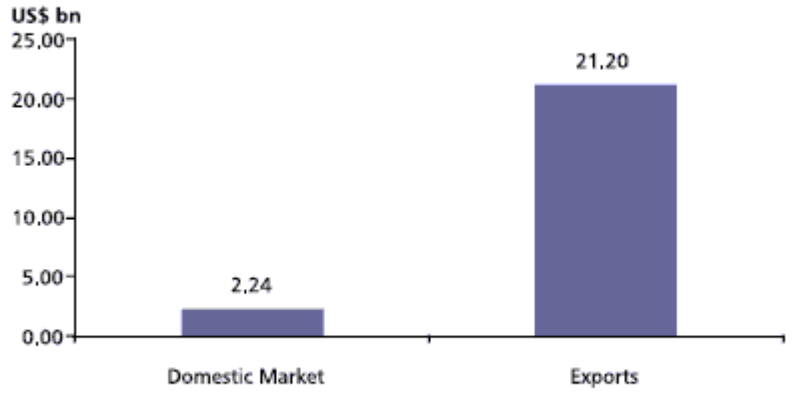


Chart 1.1: Gems & Jewellery Market Size (CY 2008)



Source: Assocham

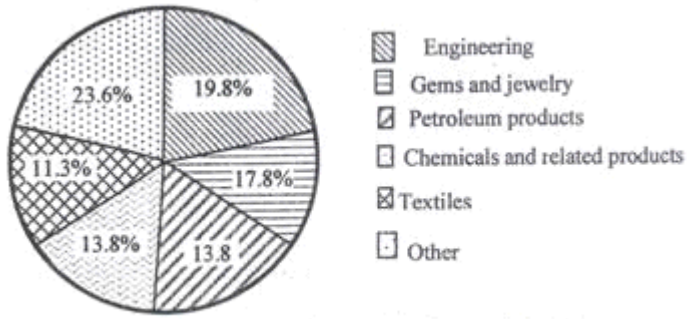


Figure 3.2: Share of Top Five Commodity Groups in India's Exports 2009-10 (April-September)

Structural change:

A structural change is an economic condition that occurs when an industry or market changes how it functions or operates. A structural change will shift the parameters of an entity, which can be represented by significant changes in time series data.

Performance of gems & jewellery in India:

Diamonds, gems and Jewellery have been a part of the Indian civilization since its recorded history, the significance of the gems and Jewellery industry in the Indian

economic scenario is a development of the last three or four decades. In 1966-67, the export turnover of the Gems & Jewellery industry was just Rs 220 m representing a 3 per cent of total merchandise exports. However, it has now grown to become one of the leading export oriented industries in India recording an export turnover of around Rs 875 bn during 2010-2011 and contributing 16 per cent of total exports, making it a significant foreign exchange earner for the country.

India is the world's largest diamond processing (cutting and polishing) country with around 1 million processors treating over 57 % of the world's rough diamonds by worth. According to recent reports, 11 out of 12 diamond (stones) set in jewelry are cut and polished in India. Processing is done on rough diamonds in a complete range of sizes and qualities, including stones larger than 10 carats. In terms of carat, India's contribution in this sector is about 80 % of the global market. Employing over 90 % of the global diamond industry workforce, the country also accounts for about 90 % of the volume of diamonds prose in the world.

The gems and jewellery industry occupies an important position in the Indian economy. It is a leading foreign exchange earner and also one of the fastest growing industries in the country. The two major segments of the sector in India are gold jewellery and diamonds. Gold jeweler's forms around 80 per cent of the Indian jewellery market, with the balance comprising fabricated studded jewellery that includes diamond studded as well as gemstone studded jewellery. A predominant portion of gold jewellery manufactured in India is consumed in the domestic market. In diamonds, however, a major portion of rough, uncut diamonds processed in India is exported, either in the form of polished diamonds or finished diamond jewellery. Besides being the largest consumer of gold, India is also the leading diamond cutting nation in the world.

Review of Literature

Literature means writings and a body of literature refers to all the published writings in a particular style on a particular subject. In research, a body of literature is a collection of published information and data relevant to a research question.

The research question- Often referred to as the research problem, the research question provides the context for the research study and reveals what the researcher is trying to answer.

The literature review-The review is a careful examination of a body of literature pointing toward the answer to the research question.

Literature reviewed typically includes scholarly journals, scholarly books, authoritative databases and primary sources. Sometimes it includes newspapers, magazines, other books, films, and audio and video tapes, and other secondary sources.

- Primary sources are the origin of information under study, fundamental documents relating to a particular subject or idea. Often they are first hand accounts written by a witness or researcher at the time of an event or discovery. These may be accessible as physical publications, as publications in electronic databases, or on the Internet.

- Secondary sources are documents or recordings that relate to or discuss information originally presented elsewhere. These, too, may be accessible as physical objects or electronically in databases or on the Internet.

All good research and writing is guided by a review of the relevant literature. Literature review is the mechanism by which research is viewed as a cumulative process. That makes it an integral component of the scientific process.

Review of literature will help a researcher to know if there are certain gaps in the theories, or whether the existing theories applicable to the problem under study are inconsistent with each other, or whether the findings of the different studies do not follow a pattern consistent with the theoretical expectations and so on. All this enable a researcher to take new strides in the field for furtherance expectations and so on.

Reviewed article 1:

Structural changes in India's foreign trade.

T.P. Bhat, Institute for Studies in Industrial Development

New Delhi, November 2011

This study reveals that The pre-reform period did not see much of structural changes in the foreign trade particularly, the export sector. The post-reform period witness significant changes in the trend, pattern and structure of external trade.

Reviewed Article 2:

A study of diamond trade via games And jewellery trade and total merchandise trade of India during the last decade.

Dr. Neelam Arora, International Monthly Refereed Journal of Research In Management & Technology, Volume III, January'14 ISSN – 2320-0073

In this study the objective of the author is to analyze diamond trade vis-a-vis games ans jewellery trade and total merchandise trade of india during the last decade And also the growth of diamonds trade of India vis-à-vis gems and jewellery trade and merchandise exports from India.

Reviewed Article 3:

Impact of changes in organizational structure on selected key performance indicators for cultural organizations

Stephen boyle

Page 319-334 | published online: 13 Aug 2007

This paper assesses how the changes to organizational structure of the symphony orchestras of the Australian Broadcasting Corporation affected their ability to achieve a number of objectives between 1979 and 2002. Through the use of identified government reports and the literature on corporatization a series of key performance indicators are developed to assess the impact of structural change on the activities of these orchestras. This study explores the cultural outcome of access for the community to classical music performances, and reviews how the financial investment is shared between government and private sources to fund

these activities. Overall the results suggest that the various changes in organizational structure have not been effective in addressing cultural objectives of increasing audience attendance, performance levels or diversifying the repertoire performed. However, these changes have been more effective in attaining economic objectives of diversifying the funding base and increasing earned revenue opportunities, but not in creating cost efficiencies.

Reviewed Article 4:

India's Merchandise Exports: Some Important Issues and Policy Suggestions.

Dr. H. A. C. Prasad, Dr. R. Sathish,Salam Shyamsunder Singh, Department of Economic Affairs, Ministry of Finance, Government of India, August 2014 ,Working Paper No. 3/2014-DEA

In this paper an attempt has been made to examine the current trade scenario — both global and India and suggest policy measures both general and sector-specific to raise India's export share above a minimum threshold level.

Reviewed article 5:

A Study on Problems Faced By Gem and Jewellery Exports with Special Reference to Coimbatore City

Dr. D. Parasakthi, P. Dhanalakshmi, International Journal of Emerging Research in Management &Technology ISSN: 2278-9359 (Volume-4, Issue-7), July 2015

The aim OF The researcher is To know about what are the challenges faced by gem and jewellery exporters in and To analyze the future of the market of gem and jewellery export in Coimbatore city.

Reviewed article 6:

The Global Diamond Industry 2015: Growth Perspectives amid Short-Term Challenges

December 08, 2015 Bain Brief By Olya Linde, Aleksey Martynov, Ari Epstein and Stephane Fischle

writer take a comprehensive look at the year's major developments along the diamond value chain. he focus on the reasons for the recent drop in rough and polished prices against the background of continued but slowing growth in the macro economy.

As in previous years, he start with key developments along the value chain and a review of recent economic fundamentals that are the long-term drivers of diamond jewelry demand and prices.

He look at the long- and short-term factors influencing prices to better understand the recent declines in polished and rough-diamond prices and expectations for their recovery. We compare 2014 results with the results of previous years and review the market to date in 2015, which has been marked by demand uncertainty and price declines.

he also provide an update on the long-term outlook for the diamond industry through 2030. The 2030 supply-demand outlook is based on long-term macro-fundamental factors and incorporates the effects of the recent decline in demand from China.

Reviewed article 7:

Gold jewellery manufacturing industry to undergo structural changes

Rajesh Bhayani | Mumbai Apr 12, 2016 06:15 PM IST

All India jewelers have now decided to call of their over 40 day strike. As jewelers returns to normalcy after a prolonged strike of over 40 days excise duty on jewellery is a certainty. However that will change the way industry operate especially manufacturing activities could see structural changes along with consolidation in the industry.

First impact will be on unaccounted trade as excise levy will require jewelers to keep records of purchase of gold. Compliance cost for manufacturing would go up which will lead to structural changes and even consolidation.

Industry is at present widely divided among small, medium and large jewelers and they have to maintain records, which will increase compliance cost. Manufacturers would have to scale up their businesses or cut cost to protect margins. This could lead to structural changes.

An industry official who has operations in Suraj, a city in Gujarat known India's diamond processing hub, said: "In Surat, under a single roof workers are seated in a row, often up to 20 rows in the one room, with each row belonging to a different diamond processing company. This essentially built economies of scale due to the cross coordination of work; also with this structure it is difficult for an inspection officer to conduct a check. We foresee that gold jewellery fabrication too may shift into a similar manufacturing set-up as it becomes beneficial to have more fabricators with less than rupees six crores turnover in the one space."

A bullion trade association's top official said many small jewelers who also work with unaccounted gold would prefer to exit jewellery manufacturing by selling their business to a bigger company and start trading which has no excise duty. These would lead to consolidation.

With compliance cost rising, retail expansion on rental places could also get affected, fear a retail chain official. Most industry players Business Standard spoke to said that margins are set to remain under pressure in this wafer thin margin business.

Good part, which an official of Indian Bullion and Jewellers Association said: "Business, would come on books, rather than remaining unaccounted and help check smuggling," which was estimated at 142 tons in 2015 by GFMS. He said organized business will grow while unorganized and especially thriving on business without maintaining records would face a tough time.

Jewellery selling is hardly a standalone business for many smaller jewelers as several of them are also acting as money lenders providing finances against jewellery as collateral. if they also sell jewellery, they would find both businesses difficult to run with excise duty being implemented.

Reviewed article 8:

Disappointed over higher import duty on gold, gems, jewellery exporters pin Hopes on Foreign Trade Policy: ASSOCHAM

Udit Prasanna Mukherji , TIMES OF INDIA, Mar31, 2015

this report throws light on the statement of assocham in which it said that it is highly disappointed over higher import duty on gold , gems ,jewellery exporters pin hopes on forerign trade policy . Disappointed with the budget retaining the customs duty on gold, the most important raw material for the gems and jewellery exporters, the sector is the largest contributors to the country's export basket is pinning its hopes on the Foreign Trade Policy (FTP)

Reviewed article 9:

Exports Can Reach $340 Billion Target In FY 15

PURBA DAS, Reserve Bank of India, DEC 17, 2014

To be reviewed that The Federation of Indian Export Organizations (FIEO) believes that the right export policies will help the government top achieve its FY 15's export target of $340 billion. As The exports have already reached US$ 216 billion .it is to be noted that one of the first initiatives to achieve the target was to introduce Interest Subvention Scheme for exporters. The exports grew by 7.3% over October 2014. The sectors that performed well in November included engineering goods, drugs and pharmaceuticals, gems and jewellery, cotton and man-made yarn, carpets, coffee, spices among others. While decline in marine sector is worrying.

Reviewed article 11:

India’s Foreign Trade Scenario

G Srinivasan, Yojna, February 2012

The report reveals that The country’s foreign trade scenario at the end of the final year of the Eleventh Five-Year Plan (2007-12) appears to be well on course, though the wholesome high export growth the country compassed in the first half of the fiscal 20011-12 may not be repeated for the full year.

Reviewed articled 12:

India's foreign trade policy: Overlooking downsides

Amitendu Palit, the financial express, April 29, 2015

This paper examines India's recently announced foreign trade policy for the next five years (2015-2020). The macroeconomic goal is to increase India's share in world merchandise and services exports from 2% at present to 3.5%.

Around 65% of India's current export earnings are from merchandise exports, while the rest is from services. It is not clear whether the total increase proposed by the policy assumes this current ratio to be maintained over time. annual increase of 20% in merchandise and service exports from India is a tall order Indian exports would have to expand beyond their skins for achieving the kind of growth rates the policy expects them to. The problem is that it is not only Indian producers that are aiming to secure efficiency-based comparative advantages. Most of the rest of the world is. And India does not appear to be doing too well in this regard. Far as textiles are concerned, India no longer has the advantage in garments. in textiles now is as supplier of raw cotton. But that would imply it getting confined to the upstream and lower end of the textile value chain. Almost similar implications are for leather products where the production advantages in leather uppers and footwear are increasingly shifting to other country producers with India left back looking only at raw hides.

Reviewed article 13:

Gem & jewellery export slightly down, might do better this year

Dilip Kumar Jha, April 23, 2015, Front line

Gem and jewellery (G&J) shipments, nearly 13 per cent of India's overall merchandise export, fell a marginal 0.4 per cent in financial year 2014-15.

"The industry battled several economic issues — downturn in China, political and terrorist unrest in the Middle East, a declining European market and the suffering Russian ruble, which had a direct and adverse impact on export. However, foresight and agility helped survive these trying times, owing to significant action in the US and UAE to boost export.

Reviewed articled 14:

A new role for trade

C.P. CHANDRASEKHAR, India's National Magazine from the publishers of THE HINDU, Volume 21 - Issue 19, Sept. 11 - 24, 2004

The new trade policy of the Union government, by offering duty-free imports as an incentive for exports, threatens the viability of the domestic capital goods sector, which has played an important role in India's industrial development.

The trade deficit itself has been widening not because India's export performance has been wanting. This year, high oil prices would ensure that the figure is much higher.

Reviewed articled 15:

Deconstructing the Modi foreign policy

Brahma Chellaney, The hindu, December 4, 2014

The Modi foreign policy appears geared to reinvent India as a more competitive, confident and secure country. A robust foreign policy, however, can sustain itself only on the foundation of a strong domestic policy

Unfortunately for India, despite its impressive economic growth overall, much of its last 25 years has been characterized by political weakness and drift. The paradox is that India’s economy continued to grow even as India’s regional influence waned. the political rise of Narendra Modi — known for his decisiveness — could be a potential game-changer. First, Mr. Modi continues to invest considerable political capital in high-powered diplomacy so early in his term. Second, the Modi foreign policy is powered by ideas, not by any ideology. Third, he has projected a nimble foreign policy with pragmatism as its hallmark. Mr. Modi has put his stamp on foreign policy faster than any predecessor .Fifth , he attaches major significance to diplomatic symbolism. Mr. Modi faces major regional challenges, exemplified by the arc of failing, revanchist or scofflaw states around India. This tyranny of geography demands that India evolve more dynamic and innovative approaches to diplomacy and national defense. India must actively involve itself regionally to help influence developments, which is what Mr. Modi is seeking to do. Indeed, his priority — apparent from the time he invited regional leaders to his inauguration — is to retrieve India’s lost ground in its backyard.

Reviewed article 16:

Gems and Jewellery: Home market lends luster

Bhavana Acharya, Business line, February 19, 2011

The intent of the study is to provide an overview of Exports have for long been the mainstay of the Indian gems and jewellery industry. But they have taken a backseat to domestic markets in recent times due to Strong economic growth, a bright job market, a developing retail real estate market and certain immunity to rising gold prices. The focus on domestic markets was also an effort to mitigate the risks of reliance on exports, in a fluid global market. That is not to say that exports faltered. The year 2010 was one of recovery for the gems and jewellery exports.The Indian gems and jewellery industry appears poised to shore up presence in the export markets, as countries come out of recession. Yet, it continues to tap into the immense potential of the domestic markets. However, challenges include increasing input costs, rising interest rates, slimming margins.

Reviewed article 17:

Assocham pleads for industry status to gems & jewellery

Virendra Pandit, Business line, 22 March

the Government to grant an industry status to the Gems and Jewellery (G&J) sector and proposed a 7-pronged strategy .This will have a multiplier effect and result in increasing demand for gems and jewellery which will have a vital and positive impact on output, employment, value addition and indirect tax collection. Modernization of labour laws, requirement of more export-oriented economic zones, establishment of a gold board, ensuring access to better financing, relaxation of certain taxation laws, segregation of investment and consumption demand, setting up a gold tourism circuit are certain key areas focus on which can help in reviving the sect .growth in sector can be a single panacea to all problems of Indian economy owing to strong backward linkages of the sector with ancillary industries, . Efforts by the government like removal of barriers stifling growth of they sector and introduction of policy initiatives to boost growth are significant to sustain the potential of this sector. young workers are shunning the sector DUE TO Inadequate working conditions and limited compliance with health and safety standards . Unorganized players and small-scale enterprises are not known to use cutting edge technology and high quality materials in their manufacturing processes, another major reason crippling growth IN sector. Penetration of large

retailers in the gems and jewellery sector will provide required growth impetus, open new opportunities of evolution and progress, attract investments, bring down costs of operation and increase global reach of domestic brands.

Reviewed article 18:

Challenges in India's foreign trade

H R uma, Front line, February 12

The study reveals India with its export being just 0.65 percent in 94-95, is still not able to improve its international status.

Various Challenges faced are India's foreign trade is in tough times, indicates the economic survey that has cited the global slowdown in 2008 as a crucial hindrance for exports and imports in the coming months. Referring to the downward revision of the US growth to just about 1.5 percent and that of the advanced economies overall to 1.8 percent, the survey says "this slowdown will impact the demand for India's exports and the value of imports". We need to make our presence in African countries and other emerging market economies where there are opportunities for real growth.

Reviewed article 19:

Gems and jewelry sector

Media Reports, Press Releases, GJEPC Report, India brand equity foundation, 22 feb 2015

The paper tries to evaluate the Contributing around 6-7 per cent of the country's GDP and in a big way to the foreign exchange earnings, Gems and Jewellery sector plays a significant role in the Indian economy. One of the fastest growing sectors, extremely export oriented and labour intensive sector. jewellery is a status symbol in India. It Has been declared as a focus area for export promotion by The Government based on its potential for growth and value addition also the govt. has recently undertaken various measures to promote investments and to upgrade technology and skills to promote 'Brand India' in the international market. Low costs and availability of high-skilled labour has made India the hub of the global jewellery market .It is world's largest cutting and polishing centre for diamonds, being well supported by government policies. Domestic market of sector is equally

strong. It is expected to grow at a CAGR of 15.95 per cent over the period 2014-2019.FY14 saw an increase of 12.65 per cent in export of cut and polished diamonds .The industry also witnessed a rise of 11.98 per cent in imports of rough diamonds. It is witnessing changes in consumer preferences and branded jewellers are able to fulfill their changing demands better than the local unorganized players Jewellery Various Government Initiatives in sector include Liberalizing gold import norms, signing a Memorandum of Understanding with Russia to source data on diamond trade between the two countries. India is the top global processor of diamonds, while Russia is the largest rough diamond producer, planning to establish a special zone with tax benefits for diamond import and trading in Mumbai. Due to shortage of skilled manpower, the Gems and Jewellery Skill Council of India is planning to train labour too. Government also approved the gold monetization plan in the form of revamped Gold Deposit Scheme (GDS) and the Gold Metal Loan (GML) Scheme Sovereign Gold Bond Scheme. Growth in the sector would be largely contributed by the development of large retailer brands. Also, the relaxation of restrictions of gold import, the improvement in availability along with the reintroduction of low cost gold metal loans and likely stabilization of gold prices at lower levels is likely to provide a fillip to the industry.

Reviewed article 20:

India reposes faith in WTO's multilateral trading system, sees no threat from regional pacts

By Kirtika Suneja, ET Bureau | 12 Jan, 2016|yojna

India is fully committed to the WTO. Conclusion of the TPP, has made India cautious of losing market share in the US to countries such as Vietnam. There are also apprehensions over issues related to labour, environment and investment protection gradually creeping into the WTO. WTO failed to reaffirm the Doha Development Agenda leading to a "lot of frustration" among emerging countries and LDCs (least developed countries). The challenge is to make the scenario of multilateralism and regionalism a win-win situation

Reviewed article 21:

Trade between India, CLMV can be much better: Nirmala Sitharaman

By PTI | 12 Jan, 2016|front line

CLMV countries and India should work together to strengthen the strategic partnership to reduce the poverty

India's trade with the CLMV countries is over USD 11,000 million and there is immense potential. The tri-lateral highway, The Act East policy by Prime Minister Narendra Modi, port connectivity moves in that direction. Stating that there was need for banks to establish branches in CLMV countries. Problems exist in connectivity, banking, physical movement of people in trade and business collaborations.

Reviewed article 22:

Falling exports: Centre, states, industry discuss taxes, infrastructure

By PTI | 8 Jan, 2016|front line

Review

Faster refund of state taxes, improved rail-road connectivity, land and environment clearances were among the major issues discussed at a meeting of central and state governments and industry in quest of measures to arrest persistent fall in exports. all the state ministers and representatives present in the meeting raised the issue of ASIDE scheme, which is now transferred to states. She added that exports are concern for some sectors but there are sectors which even in this adverse environment are still holding out well.

Reviewed article 23:

Concerned about yuan's fall, government mulls steps on imports

By Reuters | 8 Jan, 2016|business line

For india slide in China's yuan is a "worrying" development for its flagging exports and was discussing possible measures to deal with a likely surge in imports. The comments came a day after China allowed the biggest fall in the yuan in five months, pressuring regional currencies and sending global stock markets tumbling as investors feared it would trigger competitive devaluations.

Reviewed article 24:

Export Performance of Gems & Jewellery in India - An Overview

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Based on the study it shows that there is a continuous increase in the export of Gems and Jewellery in India. Gems and Jewellery Industry play a vital role in the development of an economy. It can expanded its markets in the global economy and can be recognized as a global to the exporters of the other countries and prove to be equally good in the export.

Reviewed article 25:

Structural Change and Performance of Grain Marketing Cooperatives

Dahl, Reynold P.| Journal of Agricultural Cooperation>Volume 6, 1991

The U.S. grain marketing system has undergone many structural changes in the 1980s. In no part of the system has structural change been more far-reaching and extensive than in farmer-owned cooperatives. The purpose of this paper is to analyze changes in grain marketing and induced structural adjustments in grain marketing cooperatives at the local, regional, and interregional levels. The impact of these structural changes on the competitive posture of cooperatives in the grain marketing system is also discussed along with structural adjustments anticipated in the 1990s.

Research gap

The research examines effectively various issues related to foreign trade via gems and jewellery industry with special focus on contemporary concerns facing the sector and challenges that needs to be dealt with. It throws light on nature of sector referring it to be export oriented, fastest growing, labour intensive and contributing highly to GDP. But besides its enormous potential. it is facing problems such as declining profits, labour shortages, govt negligence , adverse government policies, changing global scenario with traditional markets facing a slump in demand due to adverse global economic conditions. So, the sector needs immediate focus with exploring disadvantages it is facing by in depth study and exploring new capabilities of sector that changing times has brought with it .

It needs to be highly emphasized that present framework for dealing with sector has fallen behind the present times with no attempt to deal with structural changes being experienced by sector in this vastly changing world with far reaching effects on profitability of sector . No serious paper has been released till date that tries to examine the effect of structural changes on profitability aspects of sector which seems to be highly relevant when looked from perspective of structural changes that the sector is being accustomed to in present times.

Objective of Study

This particular study aims at following:

- To study the structure of foreign trade of Gems and Jewellery industry in India.
- To study and compare the various structural changes in Gems & Jewellery industry in India.
- To study about the customer satisfaction levels through marketing strategies also the interrelation with profitability and its influence.
- To study about various techniques and process of performance of Gems & jewellery industry India.
- To study about the structural performance of exports of Gems and Jewellery in India.
- To study about the impact of structural changes on performance of gems & jewellery in India.

Hypothesis

H0: There is no impact of structural changes on performance of Gems & Jewellery in India.

H1: There is an impact of structural changes on performance of Gems & Jewellery in India.

Research Methodology:

- Research Design: The researcher will use the descriptive and the exploratory research design.
- Universe of the study: The universe of the study will be the export houses.
- Sampling Design: Simple random sampling is used and the sample size will be five companies for five year.

Data Collection:

a. Primary Data: will be collected with the help of structured questionnaire from export houses and employees of selected export houses in Rajasthan.

b. Secondary Data: Annual Report of selected export houses, statements of magazines, journals and newspaper**.**

- Tools for Data Analysis: The data will be collected, tabulated and presented in the form of pie charts, graphs and tables various statistical tests will be used for analysis of data like range, arithmetic mean, correlation, chi square, Anova etc.

Limitations:

- The research of the study will be done through primary and secondary data both but primary data can be biased.

- Sometimes it is difficult to make relevance in between a factor of structural change and performance of the unit.

- Generally export houses are not ready to share their current strategies of structural changes.

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Chapter Scheme:

Chapter No.	Topic
1	Introduction
	• Gem & jewellery industry in India • Structure of foreign trade • Structural Changes
	• Performance of Gems & Jewellery in India
2	Review of Literature
3	Research Methodology • Research Design • Universe of the study • Data Collection
	• Tools & Techniques
4	• Limitations foreign trade
5	Issues & Challenges
6	Opportunities
7	Study about Structural Changes
8	Conclusion